



OIL BASINS LIMITED
ABN 56 006 024 764

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31 January 2011

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Dear Sirs

***OIL BASINS LIMITED DECEMBER 2010
QUARTERLY CASH FLOW REPORT***

Financial Information

During the quarter drilling was undertaken and costs incurred in relation to exploration and drilling.

Additionally, good and services tax (GST) and fuel tax credits have been claimed from the Australian Taxation Office (ATO) and are awaiting refund in respect of the September quarter. The net refunds for all amounts owed to the Company and claimed from the ATO for the September quarter are \$147,889. These are approved for refund by the ATO on 1 February 2011. There are also substantial further refunds expected in respect of the December quarter yet to be claimed and approved.

Below is a break down of the Company's cash balance as at 31 January 2011:

Cash at 31 December 2010	\$ 86,041
Placement funds received in January 2011 (net of costs)	<u>\$789,600</u>
Cash balance as at 31 January 2011	\$875,641

For further queries do not hesitate to contact the Company Secretary.

Yours faithfully

Melanie Leydin
Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001,01/06/10

Name of entity

OIL BASINS LIMITED

ABN

56 006 024 764

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (6 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(3,685,820)	(4,713,817)
(b) development	-	-
(c) production	-	-
(d) administration	(148,547)	(294,115)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15,223	26,833
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(3,819,144)	(4,981,099)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/farmins	(300,000)	(326,451)
(b) equity investments	-	-
(c) other fixed assets	-	(1,691)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(300,000)	(328,142)
1.13 Total operating and investing cash flows (carried forward)	(4,119,144)	(5,309,241)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,119,144)	(5,309,241)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares	-	5,577,687
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital Raising Costs	-	-
		(30,813)	(401,563)
	Net financing cash flows	(30,813)	5,176,124
	Net increase (decrease) in cash held	(4,149,957)	(133,117)
1.20	Cash at beginning of quarter/year to date	4,235,998	219,158
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	86,041	86,041

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	31,743
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director's fees paid in relation to the December 2010 quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	350
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	86	4,236
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (CBO funds received and held in trust)	-	-
Total: cash at end of quarter (item 1.22)	86	4,236

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	269,532,036	269,532,036		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,000,000 2,000,000	2,000,000 2,000,000	\$0.036 \$0.043	\$0.036 \$0.043
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	60,437,656 69,039,768	60,437,656 51,039,768	<i>Exercise price</i> \$0.015 \$0.04	<i>Expiry date</i> 30 June 2012 30 June 2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 31 January 2011

Print name: MELANIE LEYDIN

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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